

A RESOLUTION 2004-20-09

NOMINATING STANDARD AERO SAN ANTONIO, INC. ("STANDARD AERO"), LOCATED WITHIN THE CITY'S KELLY DEFENSE ECONOMIC READJUSTMENT ZONE ("KELLY-DERZ"), TO THE OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM, FOR DESIGNATION AS A "DEFENSE ECONOMIC READJUSTMENT ZONE PROJECT," WHICH WILL QUALIFY STANDARD AERO FOR STATE SALES AND USE TAX REFUNDS AND FRANCHISE TAX CREDITS BASED ON A PROJECTED CAPITAL INVESTMENT OF \$10 MILLION FOR FACILITY IMPROVEMENTS AND THE PURCHASE OF MACHINERY AND EQUIPMENT; SPECIFYING THAT STANDARD AERO MEETS THE STATUTORY REQUIREMENTS FOR DEFENSE ECONOMIC READJUSTMENT ZONE PROJECTS IN ACCORDANCE WITH CHAPTER 2310 OF THE TEXAS GOVERNMENT CODE; AUTHORIZING THE CITY MANAGER TO SUBMIT A DERZ APPLICATION TO THE STATE OF TEXAS AND DESIGNATE THE CITY'S ECONOMIC DEVELOPMENT DEPARTMENT AS THE DERZ PROJECT LIASION.

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WHEREAS, Standard Aero has made a request of the City of San Antonio to apply to the Texas Economic Development Bank for designation as a defense readjustment zone project as provided under Section 2310.304 of the Texas Government Code; and

WHEREAS, designation as a defense readjustment zone project will qualify Standard Aero for State sales and use tax refunds and franchise tax credits based on a projected capital investment of \$10 million for facility improvements and the purchase of machinery and equipment; and

WHEREAS, City staff has determined that Standard Aero meets the definition of a qualified business under Section 2310.302 of the Texas Government Code and certifies that Standard Aero is engaged in the active conduct of a trade or business in the Kelly Defense Economic Readjustment Zone ("Kelly-DERZ") and at least twenty-five percent (25%) of new employees in the Kelly-DERZ are residents of the City of San Antonio; economically disadvantaged individuals, as defined by Section 2303.402(c) of the Texas Government Code; or are dislocated defense workers; and

WHEREAS, there has been and will continue to be a high level of cooperation between public, private and neighborhood entities within the Kelly-DERZ and the designation of Standard Aero as a defense readjustment zone project will contribute significantly to the achievement of the plans of the City Council for development and revitalization of the Kelly-DERZ; and

WHEREAS, public entities in the Kelly-DERZ are willing to provide services, incentives, and regulatory relief as authorized by Chapter 2310 of the Texas Government Code and to negotiate with Standard Aero and other local groups or businesses to achieve the public purpose of a Defense Economic Readjustment Zone; and

WHEREAS, Standard Aero and other effected entities have demonstrated an effort to cooperate with the City in achieving the public purpose; **NOW THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee is hereby authorized to submit a Defense Economic Readjustment Zone application to the State of Texas on behalf of Standard Aero San Antonio, Inc and to designate the City's Economic Development Department as the DERZ Project Liaison.

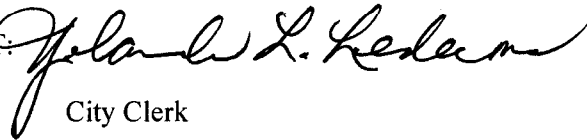
SECTION 2. The findings of the City Council set out above and its actions approving this resolution taken at the City Council meeting are hereby approved and adopted.

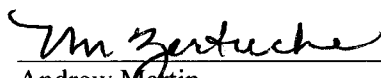
SECTION 3. Standard Aero San Antonio, Inc. is a "qualified business", as defined in Section 2310.302 of the Texas Government Code and meets the criteria for designation as a Defense Economic Readjustment Zone Project, as set out in Section 2310.304 of the Texas Government Code.

SECTION 4. The City's designation of Standard Aero San Antonio, Inc. as a defense economic readjustment zone project shall take effect on the date of designation by the Texas Economic Development Bank and terminate five (5) years after that date of designation.

PASSED AND APPROVED this 20th day of May 2004.


M A Y O R
EDWARD D. GARZA

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
for Andrew Martin
City Attorney